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BRITISH WITHHOLD SPY CASE DETAILS

Mrs. Thatcher, Before Unruly Commons, Does Not Dispel Fear of Major Scandal

> By R. W. APPLE Jr. Special to The New York Times

LONDON, July 20 - Prime Minister Margaret Thatcher refused today to furnish details of Britain's latest spy scandal to an apprehensive and unruly House of Commons.

Mrs. Thatcher did confirm that 44year-old Geoffrey Arthur Prime, who was arrested last week under the Official Secrets Act, had been an employee for nine years, ending in 1977, at the Government's secret electronic eavesdropping center near Cheltenham in southwestern England.

She conceded that the charges against Mr. Prime, who speaks Russian, were "serious and must give rise to concern."

But beyond that the Prime Minister declined to go, asserting that under the law she could say nothing until legal proceedings against the suspect had been completed. The Speaker of the House, George Thomas, sharply limited questions despite the protests of backbenchers from several parties.

Mrs. Thatcher's comments did nothing to dispel reports that another major spy scandal - perhaps as embarrassing as the Burgess-Maclean-Philby affair of two decades ago - might be

about to emerge.

Issue of a Spy Ring

She attempted indirectly to dampen such speculation, which has filled the newspapers for the last three days, by telling a questioner that only one man had been charged, that he had not worked for the Government in any capacity for more than five years and that security procedures at Cheltenham had been thoroughly reviewed by an impartial commission last year and found to be adequate in every respect.

But the Prime Minister, pressed to comment on suggestions that a spy ring was operating at Cheltenham, avoided a firm declaration that Mr. Prime was working alone. "Absolute certainty is never possible in these matters," she

The effect of her statements, which came in the midst of continuing concern over security lapses at Buckingham Palace and on the day of two devastating bomb attacks by the Irish Republican Army in the center of London, was to keep the Prime Minister and her Government on the defensive.

Mrs. Thatcher, politicians and analysts agreed, was able to do nothing to dampen the growing feeling that however great her triumphs in the Falkland Islands, things at home had been allowed to get badly out of control. That impression was heightened by the announcement of record unemployment

The Cheltenham center, formally known as the General Communications Headquarters, works closely with the United States National Security Agency, based at Fort George Meade, Md. It is presumed here that some of the material allegedly passed along by Mr. Prime, probably to the Soviet Union, was American in origin.

British newspapers report that the secrets were passed to a Soviet contact who has left the country. Government sources were quoted as saying that no network and no "moles" remained in place at Cheltenham.

According to reliable informants, the Cheltenham operation employs more than 7,000 officers stationed around the world in such places as Scotland, Cyprus, Hong Kong and Ascension Island in the South Atlantic. They listen 24 hours a day to the radio, television and satellite communications of foreign powers and relay these to Cheltenham, where linguists and cryptologists study the intercepts for scraps of intelligence

The United States provides most of the money and technological expertise for the operation and the British provide most of the skilled analysts.

Mr. Prime, now a cabdriver, appeared at Hereford magistrate's court on a charge of violating Section 1 of the Official Secrets Act, which relates to the most serious spying. He was said to have communicated information of potential use to an unnamed enemy between January 1968 and December 1981.

Alex Lawrie, a Labor member of the Gloucestershire County Council, has added fuel to the controversy. An expert in African languages who formerly worked at Cheltenham, he said that security there was "lax and fossilized" so poor that espionage was "child's



He is said to have been a linguist. for the British Government.